(China Headquarters Mote: names and addresses of these gold shops can be provided by this headquarters. An article in the Canton Kien Kwok Pao of 13 August stated that there were 240 gold shops in Canton and over 150 commission merchants dealing in the gold business.)

The actual transactions involving the buying and the selling of gold bars, gold coins, and foreign currencies are carried on by the money exchange shops. These shops have formed an association called the Money Exchange Shops' Union (英本方面), which has a votal of 131 shops listed on its

(China Headquarters Note: numes and addresses of these money exchange shops can be provided by this headquarters. An article in the Canton Sheung Pac on 6 October 1946 stated that there are 120 money exchange shops in business in Canto . Only one of these had a license from the Ministry of Finance before the war; 40 have licenses issued by the puppet government; 50 have no licenses, and 20 were established illegally during the war. Shops are being ordered to

In Canton there are three major organizations dealing in gold: banks, money exchange shops, and gold shops. The gold shops are the only ones actually engaged in the making of gold bars.

The money exchange shops will buy and sell gold and currencies for their customers through a black market which is formed by the agents in an open compound in Sup Sam Hong ( T = 17 ), where most of the money exchangers conduct the major part of their business. Every day hundreds of people gather in circles bargaining over the buying and selling of gold and currencies. In this way a black market rate of exchange emerges daily. If one desired to sell a thousand dollars worth of US bank notes, one would go to a local money ex-

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change shop which might buy it for a certain sum or sell it on the local market for the highest offer. In a transaction of the latter type the customer generally pays a commission of five percent to the shops It is estimated that the paper transactions on this market is from 5000 to 2000 tacks of gold daily and that 1000 to 2000 tacks of gold actually exchange hands.

- 5. Gold bars vary in size generally from one to ten taels, according to the costoner's requirements. In the Canton consy exchange transactions gold bars of one, two, five and ten taels are most common. A one-teel bar of gold is rectangular in shape, one inch in length, five-eights inch in width, and one-eight inch in thickness. Each bar has three markings: (a) the weight of the bar, such as 1.00 for one tael, 5.00 for five taels, etc., (b) the chop of the gold shop making the gold bar, (c) the gold content percentage.
- The majority of the gold coins have entered the local Canton market from the districts of Taishan (112-48,22-15), Enping (112-19,22-12), Msim-huf (113-03,22-31), Kaiping (112-31,22-31), and Chungshan (113-36,22-22). A very large number of the inhabitants of these districts were Overseas Chinese who had accumulated a great quentity of gold coins, which they brought with them when they returned to China. During the war years when their remittances from abroad were severed, they were obliged to sell these coins. However, now that remittances from abroad are being received, there is a great demand on the part of the people of these districts for gold and gold coins.

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